

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
HARLAN COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004  
Through June 30, 2005**



**CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

**105 SEA HERO ROAD, SUITE 2  
FRANKFORT, KY 40601-5404  
TELEPHONE (502) 573-0050  
FACSIMILE (502) 573-0067**





CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet  
The Honorable Jerry Blanton  
Harlan County Property Valuation Administrator  
Harlan, Kentucky 40831

We have performed the procedures enumerated below, which were agreed to by the Harlan County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Harlan County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2005), to determine if amounts are accurate.

Finding -

The PVA does not maintain a receipts ledger, a disbursements ledger, or reconcile bank records to books each month. Monthly reconciliations are prepared but the balance does not accurately reflect the book balance. We recommend the PVA maintain a receipts ledger, a disbursements ledger, and reconcile the bank balance to books each month.

*PVA's Response - No Response.*



John R. Farris, Secretary, Finance and Administration Cabinet  
The Honorable Jerry Blanton  
Harlan County Property Valuation Administrator  
(Continued)

2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Auditor confirmed that city receipts were complete and agreed to the amount paid from city governments.

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Budgeted statutory contribution by fiscal court agreed to the legally required amount calculated by the Department of Revenue and was traced to the PVA's local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Selected disbursements agreed to cancelled checks, paid invoices, or other supporting documentation. All expenditures appeared to be for official business. The PVA does not have a credit card at this time.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

The PVA did not have any capital outlay disbursements for the fiscal year ended June 30, 2005. No new assets were added to the PVA's Capital Asset Inventory List.

John R. Farris, Secretary, Finance and Administration Cabinet  
The Honorable Jerry Blanton  
Harlan County Property Valuation Administrator  
(Continued)

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Vehicle lease agreements were reviewed and compared to actual payments. Services received appear to be appropriate, for official business, and properly authorized.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

Auditor was unable to perform this test due to the PVA not maintaining a receipts or disbursements ledger.

*PVA's Response - No Response.*

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

It was determined that collateral is not necessary for the PVA's funds; therefore, no collateral agreement is necessary.

9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

The PVA's office did not complete and maintain records to support hours worked (only maintained records of leave time). We recommend the PVA require all employees to maintain timesheets to support the hours worked. These timesheets should be prepared and signed by the employees and reviewed, approved, and signed by their supervisor before being submitted for payroll processing.

*PVA's Response - No Response.*

John R. Farris, Secretary, Finance and Administration Cabinet  
The Honorable Jerry Blanton  
Harlan County Property Valuation Administrator  
(Continued)

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the PVA and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen  
Auditor of Public Accounts

Engagement fieldwork completed -  
April 5, 2006

